

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1154

To permit States to establish programs using unemployment funds to assist unemployed individuals in becoming self-employed.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1993

Mr. WYDEN introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To permit States to establish programs using unemployment funds to assist unemployed individuals in becoming self-employed.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SELF-EMPLOYMENT PROGRAMS.**

4       (a) IN GENERAL.—Notwithstanding any other provi-  
5       sion of law, the Secretary of Labor (hereinafter in this  
6       section referred to as the “Secretary”) may authorize  
7       States to establish and operate self-employment programs  
8       that meet the requirements of this section.

9       (b) REQUIREMENTS.—The Secretary may authorize  
10      a State self-employment program, if a State applies to

1 participate in such a program, and the Secretary deter-  
2 mines that—

3           (1) the State program does not result in any  
4 cost to the Unemployment Trust Fund (established  
5 by section 904(a) of the Social Security Act) in ex-  
6 cess of the cost that would be incurred by such State  
7 and charged to such Fund if the State had not par-  
8 ticipated in a self-employment program;

9           (2) the State program provides unemployment  
10 benefits only to individuals who are entitled to un-  
11 employment compensation under State law (without  
12 regard to any disqualification resulting from self-em-  
13 ployment and without regard to any State law relat-  
14 ing to availability for work, active search for work,  
15 or refusal to accept work);

16           (3) the State program contains a process to tar-  
17 get individuals who have been permanently separated  
18 from their jobs or do not expect to be recalled to  
19 their jobs;

20           (4) benefits under the State program are avail-  
21 able only to individuals who are likely to receive un-  
22 employment compensation for the maximum number  
23 of weeks that such compensation is available under  
24 the State law during a benefit year; and

1           (5) the aggregate number of individuals receiv-  
2       ing benefits under the State program does not at  
3       any time exceed 5 percent of the number of individ-  
4       uals receiving compensation under the State law at  
5       such time.

6       (c) BENEFITS.—If the Secretary authorizes a self-  
7       employment program for a State under this section, the  
8       State may use the State unemployment fund to provide  
9       cash unemployment benefits, exclusive of the expenses of  
10      administration, to individuals participating in the pro-  
11      gram. Such benefits shall be used to assist participating  
12      individuals in becoming self-employed.

13      (d) REPORTS.—

14           (1) STATE REPORTS.—Any State operating a  
15      self-employment program authorized by the Sec-  
16      retary under this section shall report annually to the  
17      Secretary on the number of individuals who partici-  
18      pate in the program, the number of individuals who  
19      are able to develop and sustain businesses, the oper-  
20      ating costs of the program, compliance with program  
21      requirements, and any other relevant aspects of pro-  
22      gram operations requested by the Secretary.

23           (2) REPORTS TO CONGRESS.—Not later than  
24      December 31, 1996, based on the reports received  
25      from States operating self-employment programs

1       under this section, the Secretary shall report to the  
2       Committee on Finance of the Senate and the Com-  
3       mittee on Ways and Means of the House of Rep-  
4       resentatives with respect to the operation of the  
5       State programs. The report shall contain the Sec-  
6       retary's recommendations regarding establishment of  
7       a permanent self-employment program as part of the  
8       regular unemployment compensation program.

9       (e) DEFINITIONS.—For purposes of this section, the  
10      terms “compensation”, “regular compensation”, “benefit  
11      year”, “State”, and “State law”, have the respective  
12      meanings given such terms by section 205 of the Federal-  
13      State Extended Unemployment Compensation Act of  
14      1970.

15      (f) TERMINATION.—The provisions of this section  
16      shall not apply after September 30, 1997.

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